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Department of Natural Resources
DIVISION OF MINES AND MINERALS

GEOLOGICAL SURVEY

Pouch M. Juneau, Alaska 99801

MINES AND PETROLEUM BULLETIN

September, 1966

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No. 9

MINING ACTIVITIES

Northwestern - Frank Birch has been placer mining on Tobin Creek in the Chandalar this season. He also has a crew of five men constructing the foundation for a mill for the ore from the Mikado and Little Squaw gold lodes in that district.

A pilot model gold dredge utilizing a new hydrocone principle is being tested by Ken Martin offshore from the Nome beach.

Shell Oil is reportedly constructing three "sonic drills" similar to the "sonic pile drivers" already in use elsewhere for testing their offshore prospects off Nome.

Central - The U.S. Geological Survey's Office of Minerals Exploration has approved a contract with the Busty Belle Mines Inc. of Fairbanks to explore the Silvertone and Cottonwood claims staked on silver and gold bearing claims near Fairbanks. The estimated cost of the work is \$34,200 of which the Government's participation is 62% or \$21,375.

JUNEAU OFFICE MOVE

The Juneau offices of the Commissioner of Natural Resources, the Division of Mines and Minerals, and the Division of Lands have moved from the Capitol Building to the fifth floor of the Goldstein Building. The mail address of all three offices remains the same (Pouch M. Juneau, Alaska, 99801). The new phone numbers are as follows:

Natural Resources- 586-6352 Mines & Minerals- 586-6351 Division of
Lands- 586-6350

OIL AND GAS NEWS

Oil and Gas Conservation Regulations to be Amended - We are preparing proposed amendments and additions to the Oil and Gas Conservation Regulations. These proposals concern such items as (a) definitions of drilling units, wells, completions, required well logs, etc., (b) pressure control equipment, (c) well spacing, (d) location surveys,

Oil and Gas (Cont'd)

(e) deviation surveys, (f) production tubing, and (g) bottom hole pressures. The public hearing on these proposals will be held in October or November. It will be advertised at least 30 days in advance. The proposals in mimeographed form will be mailed from our Juneau office to all who request them. Those wishing to study these proposals prior to the hearing should request them from our Juneau office (Pouch M, Juneau, Alaska 99801).

Oil Production Rate for July, 1966 - As a matter of interest, Alaska leads all other states in per well daily average oil production. In July, 1966, the average oil well produced 671 barrels of oil per day. According to the Oil and Gas Journal of January 31, 1966, Florida is second highest in the nation having a per well average of 114.7 barrels per day for 1965 while Utah is third with an average of 75.9 barrels per day for the same period.

Drilling Permits Approved - Permits for the following seven wells were approved during the month:

- North MGS State 18745 #1-A - Pan American Petroleum Corporation Operator - Surface location: 1221' FNL and 1079' FWL, Section 28, T10N-R12W, S.M. Bottom hole location: 1980' FSL and 1980' FEL, Section 28, T10N-R12W, S.M. This location is about 100' from the #1 location and about 3½ miles from the discovery well in the Granite Point Field.

- Tyonek State 17586 #1 - Pan American Petroleum Corporation, Operator - 700' FSL and 1200' FEL, Section 36, T11N-R12W, S.M. This location is in the northwest part of the Granite Point Field area.

- State 17580 #1 - Placid Oil Company, Operator - 1920' FNL and 900' FWL, Section 3, T9N-R12W, S.M. This location is about 4½ miles southwest of the discovery well in the Granite Point Field and about the same distance northeast of development in the Middle Ground Shoal Field.

- Nicolai Creek Unit #2 - Texaco Inc., Operator - Surface location: 2018' FSL and 205' FWL, Section 29, T11N-R12W, S.M. Bottom hole location: 400' FNL and 1400' FWL, Section 32, T11N-R12W, S.M. This bottom hole location is southeast of the discovery well, Nicolai Creek #1, and subject to Conservation Order #28.

- Kalgin Island State #1 - Hunt Oil Company, Operator - 210' FSL and 2440' FEL, Section 22, T5N-R15W, S.M. This location is at the north end of Kalgin Island in Cook Inlet and is subject to Conservation Order #29.

Oil and Gas (Cont'd)

Tower #1 - Mobil Oil Corporation, Operator - 1200' FNL and 2000' FEL, Section 10, T10N-R12W, S.M. This location is about 2 miles northwest of the same operator's discovery well in the Granite Point Field.

Middle River State #2 - Atlantic Richfield Company, Operator - 660' FSL and 660' FWL, Section 18, T9N-R13W, S.M. This location is about three quarters of a mile northwest of the operator's recent discovery well, the West Forelands Unit #3.

Drilling Activity:

<u>Operator</u>	<u>Well Name and Number</u>	<u>Status 8/25/66</u>
Atlantic Richfield Company	McArthur State #1	Drilling
Atlantic Richfield Company	West Foreland Unit #3	Comp. Oil Well
Atlantic Richfield Company	Middle River State #2	Location
Austral Oil Company	Federal #1-3	Location
Great Basins Oil Company	Ugashik #1	Drilling
Hunt Oil Company	Oldmans Bay #1	Abandoned
Hunt Oil Company	Kalgin Island State #1	Location
Mobil Oil Corporation	Tower #1	Location
Pan American Petroleum Corp.	Cook Inlet State 17591 #1	Drilling
Pan American Petroleum Corp.	Cook Inlet State 17593 #1	Location
Pan American Petroleum Corp.	East MGS 18751 #1	Drilling
Pan American Petroleum Corp.	MGS 17595 #5	Testing
Pan American Petroleum Corp.	MGS 17595 #8	Drilling
Pan American Petroleum Corp.	North MGS State 18745 #1	Abandoned
Pan American Petroleum Corp.	North MGS State 18745 #1-A	Drilling
Pan American Petroleum Corp.	Tyonek State 17588 #1	Suspended
Pan American Petroleum Corp.	Tyonek State 17586 #1	Drilling
Pan American Petroleum Corp.	West Forelands Unit #2	Drilling
Placid Oil Company	State 17580 #1	Location
Shell Oil Company	Forelands Channel State #1-A	Suspended
Shell Oil Company	MGS A-11-1	Drilling
Standard Oil Co. of California	Ivan River #1	Drilling
Texaco, Inc.	Coal Bay State #1	Location
Texaco, Inc.	Nicolai Creek Unit #2	Location
Texaco, Inc.	Trading Bay State #1	Drilling
Texaco, Inc.	Trading Bay State #2	Location
Texaco, Inc.	Trading Bay State #3	Location
Trinity Canadian Drilling Co.	Homesteaders #1	Drilling
Union Oil Company of California	Kustatan #1-A	Comp. Oil Well
Union Oil Company of California	Kenai Unit #41-2	Location

Production - July, 1966

<u>Field</u>	<u>Zone</u>	<u>Prod. Wells</u>	<u>Oil, Bbls.</u>	<u>Gas, MCF#</u>
Swanson River Field	Hemlock	46	941,873	413,430
			56,716,039*	15,204,384*
	Kenai	1		53,513
				11,471,024*
	Injection, Hemlock	8		3,791,150**
				30,139,643*
Middle Ground Shoal	Hemlock	11		
	and Kenai	(Incl. 2 duals as 4 wells)	278,264	46,654
			842,333*	306,450
Kenai	Kenai	15		4,108,283 1/
		(Incl. 5 duals as 10 wells)		32,090,743*
Sterling	Kenai	1		10,759
				343,850*

Swanson River gas at pressure base 15.025 psi. All other is 14.65 psi.
 * Cumulative to August 1, 1966.
 ** Includes 3,610,169 from Kenai fields.
 1/ Correction for June 3,942,082 instead of 3,935,357

A.I.M.E. CONFERENCE

The Alaska and southwest Alaska sections of the A.I.M.E., the University of Alaska and the British Columbia Section CIMM are sponsoring a minerals conference on the campus of the University of Alaska on May 23-26, 1967. The time was selected to tie in with the commencement at the University (golden anniversary) on May 22nd and the official opening of the State Centennial in Fairbanks on May 27, 1967.

The general theme of the conference is the "Future development of the North's mineral resources." Presented will be a wide range of papers on exploration, mining economics, marine deposits, petroleum, etc., pertaining to mineral development in the north.

RESULTS OF THIRD COAL LEASE SALE

Mr. H.A. Faroe made the highest bid of \$4.30 per acre for two tracts totaling 960 acres near the Buffalo Mine northeast of Palmer and was awarded the coal lease.

MORE WILDERNESS STUDIES UNDERWAY

Eighteen wildlife ranges and refuges in Alaska totaling 17,713,202 acres were listed recently as qualifying for study for possible inclusion in the wilderness system by the Bureau of Sport Fisheries and Wildlife. The Wilderness Act authorizes a study by the Secretary of the Interior of "every roadless area of 5,000 contiguous acres or more in National Parks, Monuments, Wildlife Ranges and Game Ranges".

In releasing the list, the Bureau stated that "The fact that these areas and islands qualify for study does not automatically include them in the wilderness system. The Wilderness Act requires this Bureau to review and study these areas, to hold public hearings and, if favorably recommended as provided by the act, to propose them to Congress for consideration".

NEW PUBLICATIONS

U.S. Geological Survey Professional Paper 302-D, Micropaleontology of the Mesozoic Rocks of Northern Alaska, Exploration of Naval Petroleum Reserve No. 4 and adjacent areas, Northern Alaska, 1944-53, Part 2, Regional Studies.

U.S. Geological Survey Professional Paper 398-A, Tertiary Stratigraphy and Paleobotany of the Cook Inlet Region, Alaska.

These two papers are available from the United States Government Printing Office, Washington, D.C., and for reading at the various U.S.G.S. and DMSM offices within the State.

U.S. Geological Survey Open File Report, Strike-Slip Faults in Alaska, by Arthur Grantz. Eighty-two pages, 8 figures, 2 tables. Available for reading at the various U.S.G.S. and DM&M offices within the State.

E. AND M.J. METAL MARKET PRICES

	August 29 1966	Month Ago	Year Ago
Copper, per lb.	35.9	36.1¢	36¢
Lead, per lb.	15¢	15¢	16¢
Zinc, per lb.	15¢	15¢	14.5¢
Tin, per lb.	154.3¢	158.95¢	187 3/4¢
Nickel, per lb.	77.75¢	77.75¢	79¢
Platinum per oz.	\$100	\$100	\$97-100
Mercury, per flask	\$430-450	\$410-420	\$675-700
Antimony ore, per unit	\$4.55-5.55	\$4.55-5.55	\$7.30-7.60
Beryllium powder, 98% per lb.	\$54-66	\$54-66	\$54-66
Chrome ore, per long ton	\$31-35	\$31-35	\$31-35
Molybdenum Conc., per lb.	\$1.55	\$1.55	\$1.55
Titanium ore, per ton	\$21-24	\$21-24	\$23-26
Tungsten ore, per unit	\$43.00	\$43.00	\$27.50-28.50
Silver, New York, per oz.	129.3¢	129.3¢	129.3¢
Silver, U.S. Treasury, per oz.	129.29¢	129.29¢	129.29¢